

Customer Support Ruling
Mail Preparation and Standards
Headquarters, US Postal Service
Arlington, VA 22209-6038

Refund - Return of Presorted Standard Mail

PS-260 (P014, D030)

UPDATED March 2001

This ruling pertains to a request made for a refund of postage for pieces that were mailed at the Presorted Standard Mail rates of postage by a mailing house and then, prior to delivery, returned to the client of the mailing house (at its request). The mailing was reworked and later many of the pieces in the original mailing were remailed at the Presorted Standard Mail rates from another post office.

The mailing house entered 245,000 pieces of bulk business mail, on behalf of a client (which has retail stores nationwide) at the Saint Louis Bulk Mail Center (BMC). The pieces bore the company permit imprint of the client. The Saint Louis BMC accepted and processed the mail and then it was transported to the Los Angeles BMC by rail. The mailing house requested that the mailing be held at the Los Angeles BMC and it was subsequently released to a representative of the mailing house's client so that corrections could be made. At a later date, postage was paid to mail 185,000 of the pieces at the post office in Englewood, CA. The mailing house contends that the Postal Service did not complete delivery of the pieces until after they were retrieved, corrected and reentered into the mails. Therefore, it contends that it should have been charged once for the postage plus any additional costs for the extra services provided.

Refunds of postage are governed by the provisions of *Domestic Mail Manual* (DMM) P014. In accordance with DMM P014.2.1, when postage has been paid and no service has been rendered, or when the amount collected was in excess of the lawful rate, a refund may be made under the conditions set forth therein.

DMM P014.2.6, prescribes that when mail is returned at the request of the sender or for a reason not the fault of the Postal Service, any difference between the amount paid and the appropriate surface rate chargeable from the mailing office to the interception point and return will be refunded.

In this case, service was rendered, excess postage was not paid, and there is no difference in postage between the amount paid and the Presorted Standard Mail rate charged on the mailing entered at the Saint Louis BMC and intercepted at the Los Angeles BMC.

When a mailing is made at the Presorted Standard Mail rates and a mailer recalls the pieces prior to delivery, there is no authority in the postal regulations for prorating the costs associated with the acceptance, processing, transportation, and delivery of those pieces, and reimbursing the mailer for the costs of the function(s) not performed. That is, there is no authority for prorating the postage charges when mail is recalled before delivery is made to the addressees. Furthermore, the legal rate of postage is required to be paid if the pieces are subsequently remailed. See DMM D030.2.

In this case, two distinct mailings were made at the Presorted Standard Mail rates of postage. One mailing consisted of 245,000 pieces and the other one consisted of 185,000 pieces. The postage paid for the original mailing only applies to it and not to both mailings. The fact that the second

mailing consisted of many of the same pieces in the first mailing is irrelevant. The postage was properly charged on each separate mailing, and therefore, no refund of postage is due for the recalled pieces.

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